



Office of Inspector General

STRATEGIC PLAN

2002-2006



U.S. Department of the Interior

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Washington, DC 20240



OFFICE OF INSPECTOR GENERAL

Mission

Our mission is to promote excellence in the programs, operations and management of the Department of the Interior.

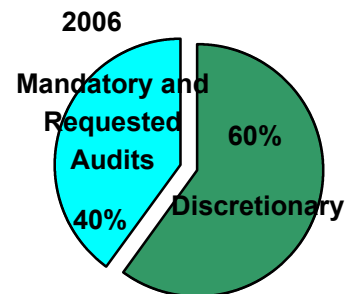
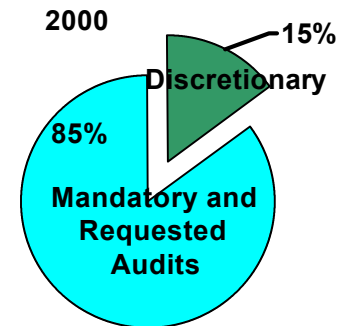
By targeting our resources toward the most pressing and challenging issues facing the Department of the Interior (DOI or “the Department”), we will be considerably more valuable to the Congress and the Department and will have a greater impact in advancing the Department’s mission.

Executive Summary

The Office of Inspector General (OIG) has undertaken a comprehensive effort to revisit its mission and priorities. This critical self-assessment has resulted in the need for dramatic changes to our Strategic Plan for the next five years. This document moves us away from focusing only on our internal operations and provides our overall strategy for helping the Department fulfill its mission and respond to its greatest challenges.

Our Strategic Plan, which includes five primary goals, focuses on examining major management challenges and high-risk areas for fraud, waste, abuse and inefficiency within the Department and offering solutions to problems associated with those areas. By design, our goals are closely related to the Department’s mission and strategic goals. This alignment reflects our responsibility to focus on providing solutions to the Department’s most significant problems and designing strategies that promote excellence in the Department. Our five strategic goals are to:

1. Promote DOI’s efforts to preserve and protect the Nation’s natural and cultural resources and protect DOI facilities.
2. Promote effective management of financial, grant and procurement activities.
3. Further DOI’s efforts to fulfill its responsibilities to American Indians and the Insular Areas.



Blue encompasses
“Mandatory and
Requested”
Audits
(Mandatory
includes Financial
Statement
Audits)



4. Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components.
5. Promote effective coordination and improved management practices among DOI's bureaus and components.

Our strategy for addressing the high-risk problem areas in the Department calls for a shift in our internal operations and allocation of resources. During recent years, Departmental demands to conduct annual financial statement audits and other mandatory audit requirements allowed us to dedicate only about 15 percent of our audit resources to critical program audits. As the Department implements our recommendation to contract out its financial statement audit work related to the Chief Financial Officers Act, we will be able to increase the amount of our audit resources assigned to program audits, eventually to nearly 60 percent.

In evaluating our performance, we will assess whether we have obtained the specific results in the program areas that we seek to affect. We will no longer measure our success solely by the quantity, timeliness or even the quality of our audits and investigations. While these factors are important, they measure only one component of success, and will no longer be reported in the Annual Performance Reports. We will rely on our statutorily mandated reports to Congress to capture and reflect this data.

We believe that this change is appropriate. We also realize that it is ambitious because we will be forced to look beyond the numbers and percentages, thoughtfully analyze the impact of our efforts, and effectively communicate those results. We are confident, however, that we will be successful in advancing the goals laid out in this Plan and in our ability to reflect them in our Annual Performance Reports in the coming years.



Background

The Department faces many challenges in carrying out its mission to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

DOI's day-to-day management challenges can be best characterized by the constant struggle to balance the demand for greater use of its resources with the need to conserve and protect them for future generations. To carry out its mission, the Department has approximately \$10 billion in spending authority, and employs about 68,000 people who are geographically dispersed in over 4,000 locations. The Department and its nine bureaus and offices have a diverse range of responsibilities (noted in detail in Appendix 1) including:

- Administering more than 450 million acres of Federal lands, (or about 1/5 of the total U.S. landmass), more than 56 million acres of Indian Trust Lands, and about 1.5 billion acres of the Outer Continental Shelf.
- Collecting approximately \$6 billion in revenues per year;
- Operating 64 Indian schools and overseeing the operation of 121 tribally operated schools;
- Managing mineral resources on the Outer Continental Shelf and on Indian Trust Lands;
- Preserving the natural and cultural resources and value of the National Park system;
- Conserving, protecting and enhancing fish and wildlife and their habitats;
- Managing, developing and protecting water and related resources;
- Reclaiming abandoned mine sites to protect public health and safety and enforcing regulations to ensure that coal mines operate in an environmentally sound manner; and
- Coordinating Federal policy in the Insular Areas.

The OIG plays an important role for the Department. It is our responsibility to objectively and independently assess major issues that directly impact, or could impact, the Department's ability to accomplish its mission and to timely advise the Secretary, bureau leaders, and the Congress regarding actions that should be taken to address and resolve such issues. In that respect, the value of our services is linked to identifying and focusing on the most important issues facing the Department.

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In the last several years, our ability to review critical programmatic issues has been limited by competing demands, especially the need to fulfill the requirements of the Chief Financial Officers Act and to accommodate bureau requests for financial audit assistance. Determining which specific program issues to address is challenging given the breadth of the Department's responsibilities, varying opinions and priorities within the Department, political implications associated with many of the Department's issues, and shifts in customer expectations. However, if we are to fulfill our responsibilities to the Department and the Congress, we must use our judgment and experience to determine which issues are the most critical, and structure our work so that we can address those issues effectively.



We are pleased to present the results of our analysis and our Strategic Plan. Our strategic goals capture, in five categories, what we have identified as the main focus areas for the Department. Our objectives lay out the approach we will take to assist the Department in addressing specific issues in each of those areas. As we execute our Annual Performance Plans, we will engage in activities designed to fulfill our objectives, and thereby meet our strategic goals.

This document comprises our vision for the future. It is a proactive agenda. In order to accomplish our strategic goals, we have implemented an infrastructure that promotes management flexibility and teamwork, but most importantly, creates accountability. This Plan serves as a roadmap for our workforce and enables us to make lasting contributions to the Department of the Interior, the United States Congress, and the American people.



Strategic Goals, Objectives and Priorities

Goal 1

Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.

Objectives

- a. Assist DOI in its efforts to mitigate adverse impacts on public land and water from commercial and recreational activities.*
- b. Assist the Department in its management of water resources.*
- c. Improve DOI's efforts to restore public lands and protect natural and cultural resources.*
- d. Ensure that DOI's contingency planning and preparedness for natural disasters and terrorist attacks are adequate.*
- e. Improve DOI's efforts to properly maintain its facilities.*

DISCUSSION

The DOI is the Federal Government's principal conservation agency. As such, the first goal in its Strategic Plan is to "Protect the environment and preserve our Nation's natural and cultural resources." It is fitting that our first strategic goal is to assist the Department in this endeavor. By far, this goal encompasses the largest range of issues. While we will respond to additional issues that arise during the course of the next five years, our focus will include the following areas:

- In a significant portion of the United States, water is a scarce resource. For example, there are increasing demands for water in Western states for industrial, agricultural, residential, recreational, hydropower, and environmental needs. We will assess water use/management by the BOR and identify opportunities to improve management of water resources.



Goal 1

- The Department estimates that coal mining has disturbed over 1.5 million acres of land and polluted over 11,500 miles of streams. Reclaiming abandoned mine sites (for example, eliminating unstable high walls, extinguishing mine fires, sealing mine openings and reducing acid mine drainage) is accomplished through the Abandoned Mine Land Reclamation Program. We will continue to assess this Program to determine if it is effectively addressing emergency and high priority projects.
- Disruption to certain of the Department's assets could significantly affect economic and social activity of a large segment of the U.S. population. These assets include: hydroelectric plants, reservoirs, water storage facilities, pumping stations and aqueducts, and major rivers and tributaries. We plan to assess the Department's progress in protecting the critical infrastructure comprised of these assets and to ensure that such coverage is extended to symbolic and historic cultural assets maintained by the Department.
- The Department's responsibility for Federal lands and resources is enormous. DOI has jurisdiction over 450 million acres of Federal lands and 1.5 billion acres of the Outer Continental Shelf. The impact on these resources from recreational and commercial activities is vast. For example, the National Park Service (NPS), the Fish and Wildlife Service (FWS), Bureau of Reclamation (BOR), and the Bureau of Land Management (BLM) receive nearly half a billion visits per year. BLM administers more than 700 million acres of subsurface mineral resources. We will examine major commercial and recreational activities and help the Department minimize the harmful impact these activities may have on the Nation's Federal lands and resources.
- Safe upkeep of the Department's facilities is critical to ensuring safety for visitors and the health and safety of Departmental employees. The DOI has an estimated maintenance backlog of between \$7-11 billion, and the Department's infrastructure is in great need of improvement and repair. We will assess the Department's progress in reducing the maintenance backlog over the next 5 years and work with the Department to ensure that these issues are more effectively addressed.

Disruption to certain of the Department's assets could significantly affect economic and social activity of a large segment of the U.S. population.



Goal 2

Promote effective management of financial, grant and procurement activities.

Objectives

- a. Improve DOI's collection of mineral, oil and gas royalty payments.*
- b. Enhance the proper collection and use of fees assessed by DOI.*
- c. Further sound business-like management of Federal water resources.*
- d. Improve financial management throughout the Department.*
- e. Improve contract, procurement and grant management.*

DISCUSSION

Financial management and revenue collection are significant challenges for the DOI and have been identified by the OIG as two of the Department's long-standing Top Management Challenges. Given our mandate from the Inspector General Act, we expect to devote considerable resources to detecting and preventing fraud, waste, and abuse and evaluating the effectiveness of the processes used to manage, collect and account for the significant funds entrusted to the Department. We have identified the following priorities:

- The Department collects billions of dollars in royalty payments annually. Over the last 3 years, however, we, with the assistance of MMS, recovered over \$400 million in fines from royalty underpayments. This large amount of royalty underpayments suggests that there may be underlying weaknesses and/or fraud within the Minerals Revenue Management Program and Federal and Indian lands lease holders. We plan to identify such weaknesses and assist in improving this Program.
- Fee collection and management issues extend throughout the Department. Cash transactions are, by their very nature, susceptible to fraud and mismanagement. We will review select fee programs within the Department with a focus on proper collection and handling, and a view toward identifying best-practices that might be adopted across bureau lines.
- We will review BOR policies and practices for recovery of the Federal investment in water projects, contractor agreements, and repayments to help ensure that water projects are administered in a sound and business-like manner.

The Department is the largest mineral royalty owner in the United States.



Goal 2

- In FY 2001, the Department and its nine bureaus and offices were appropriated approximately \$10 billion and will collect over \$6 billion. In fiscal years 1999 and 2000, the Department made numerous accounting adjustments in order to receive unqualified audit opinions. Opportunity abounds to improve financial management. We have identified 14 significant internal control weaknesses and will work with the Department to resolve these issues.
- The Department awards large-dollar contracts and grants to state, tribal and Insular Area governments. We will assess certain DOI contracts, procurement and grant programs to determine whether they are being managed in a fiscally sound manner and whether funds are being properly awarded, monitored, and used for their intended purpose.



Goal 3

Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas.

Objectives

- a. Improve DOI management of natural resources on Indian Lands and delivery of services to Indian people.*
- b. Improve DOI's administration of Indian education and Indian school maintenance and construction.*
- c. Improve oversight of Indian gaming operations.*
- d. Improve Insular Area governments' administration of Federal funds and collection of revenues.*

DISCUSSION

The Department, through the BIA and the Office of Special Trustee, delivers economic, social and educational services, protects and improves trust assets, and accounts for revenues from trust lands for Indians. Through the Office of Insular Affairs (OIA), it provides financial and technical assistance to Insular Area governments. Although there are many issues of concern within these diverse activities, we plan to focus on the following priorities:

- The BIA has had longstanding problems in accounting for Indian trust funds. Because of litigation, considerable attention has been given to this issue and remedial actions are ongoing. Rather than duplicate these efforts, we will focus our attention on natural resource management involving trust lands, including those that are administered by the BIA and the Indian tribes under compacts and contracts with the Secretary.
- The BIA provides funding for school construction and works with tribes to ensure that Indian children are provided a quality education. We will focus on the planning for school construction, the expenditure of school construction funds and the allocation of education program funds.



Goal 3

- In the last ten years, Indian gaming has increased substantially. We will determine whether gaming revenues are reported accurately and used lawfully under the Indian Gaming Regulatory Act.
- The Department has responsibilities to and investments in the Insular Areas consisting of the Governments of American Samoa, Guam, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau. We will continue to fulfill our audit oversight responsibilities for Federal funds in the Insular Areas, under the Insular Area Act of 1982, and will evaluate the effectiveness of the programs of the Office of Insular Affairs.



Goal 4

Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components.

Objectives

- a. *Ensure that DOI officials operate their programs and conduct themselves with the utmost integrity, ethics and professionalism.*
- b. *Improve the quality and efficiency of DOI's law enforcement components.*

DISCUSSION

The American taxpayer expects every Federal agency to conduct its programs and direct its personnel with uncompromising integrity and professionalism. The Inspector General created the Office of Program Integrity to assist the Department of the Interior in living up to this public mandate. The Office was created with a number of mission objectives. First, this Office has dedicated, experienced staff that will conduct high-level investigations into allegations of misconduct on the part of senior Department officials (employees occupying some of the most sensitive and influential positions within the Department). Second, there is a need for a more coordinated approach to law enforcement in the Department and enhanced law enforcement oversight (internal and external). Finally, this Office will provide rapid responses to requests for investigations and reviews by the Congress and the Department.

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There are more than 4,300 law enforcement officers in DOI bureaus. We identified the following crosscutting issues:

- Prior to the creation of the Office of Program Integrity, investigations focused mainly on criminal issues while issues of ethics and professionalism may not have received proper attention. Since its formation, the Office of Program Integrity has been able to respond to these issues quickly and impartially. This office will continue to focus its efforts on ethics and professionalism issues as they arise.
- Four out of five of the Department's law enforcement components do not have an Internal Integrity or Internal Affairs unit. Consequently, they cannot police themselves. We will help them develop complete, organized, independent and knowledgeable internal control units. An immediate benefit to the Department will be an increased



Goal 4

commitment by the Department's law enforcement organizations to higher standards, enhanced professionalism and reduced Departmental liability.

- The Department's law enforcement bureaus have inconsistent policies and investigative standards. In addition, professional law enforcement personnel standards need to be raised. Considering the high liability risk of law enforcement today with issues such as false arrests, excessive use of force, and police corruption, it is imperative that DOI can ensure its law enforcement practices are consistent with nationally accepted principles and standards. We will evaluate various Departmental approaches to law enforcement, potential problems that could result from inconsistencies, redundancy, and lack of coordination, and identify ways in which we can assist in elevating professionalism in those organizations.



Goal 5

Promote coordination and improved management practices among DOI's bureaus and components.

Objectives

- a. Assist the Department in resolving crosscutting issues and eliminating redundancies.*
- b. Enhance cooperation, coordination and communication among the OIG, the bureaus, and the Department.*
- c. Enhance effectiveness of DOI management practices.*

DISCUSSION

Interior's nine bureaus and offices have separate but often related missions, programs and customers. Several bureaus have existed for well over half a century, and have evolved independently from one another. As a result, numerous issues arise, including inconsistent management practices, competition between bureaus for various programmatic roles, and conflicting organizational policies and processes. The OIG is in a unique position to address crosscutting issues associated with operating a large, geographically dispersed organization. Consequently, we will work to improve communication and unify the Department in areas that lend themselves to consistent management practices.

To effect this goal, we will:

- Identify shared or related Departmental functions and initiate an assessment to identify opportunities for improved bureau coordination to more effectively achieve program goals and objectives.
- Identify common problems, weaknesses and best practices that might be applied across bureau lines, or even Department-wide. For example, four bureaus have significant deferred maintenance backlogs; revenue collection challenges touch on six bureaus; six bureaus are charged with resource protection; and all bureaus face financial management and computer security issues.



Relationship Between the Inspector General's Strategic Plan and Annual Performance Plans

The Inspector General's Strategic Plan for FY 2002-2006 is our "big picture" for the organization. Our Performance Plan derives its direction from the Strategic Plan and will identify activities to help us meet the five goals listed in our Strategic Plan. A variety of matters may arise that we did not anticipate when formulating this Strategic Plan. We will respond to those issues as they arise, but our focus will continue to be based on the goals, objectives and priorities identified in this Strategic Plan.

Obstacles to Achieving our Goals

While performing activities laid out in our Annual Performance Plans and working toward realizing our strategic goals, we will also be responding to unforeseen requests from the Congress, the Department and the American public which may redirect our available resources. These unanticipated demands may take priority over our goals and objectives as presented in this Strategic Plan. Clearly, we will make determinations and prioritize those demands as they arise.



Scope of Department's Responsibilities

Since Congress created the Department of the Interior in 1849, it has gradually evolved from a general housekeeper for the Federal Government to custodian of its natural and cultural resources. Also, it carries out certain trust responsibilities for American Indians and Alaska Natives. The Department achieves its mission through hundreds of programs and activities principally executed by its bureaus and offices.

As the Nation's principal conservation agency, the Department:

- Has jurisdiction over and administers 450 million acres of Federal lands and 1.5 billion acres of the Outer Continental Shelf.
- Manages more than 57,000 buildings.
- Employs more than 68,000 employees who work at more than 4,000 sites across the country. Over 4,300 of these employees are law enforcement personnel – with full law enforcement capabilities and authorities.

The following information about the bureaus is just a sample of the breadth and scope of responsibility the Department has and is, by no means, all inclusive:

The National Park Service (NPS):

- Manages more than 80 million acres in 384 venues, including national parks, national monuments, national historic sites, and other protected areas.
- Maintains approximately 30,000 structures, 8,000 miles of roads, 1,500 bridges, more than 400 dams, approximately 1,500 water and wastewater systems and 200 solid waste operations.
- Preserves over 23,000 historic and archaeological sites.
- Preserves many of the Nation's prime heritage resources, some of which are managed through partnership programs with Indian tribes, states, and localities.
- Receives close to 300 million visits per year at park units.
- Employs approximately 2,700 law enforcement personnel, of which about 600 are U.S. Park Police.

The Bureau of Land Management (BLM):

- Manages more than 264 million acres of public lands.
- Manages more than 700 million acres of subsurface mineral resources.
- Receives more than 60 million visits per year on BLM-managed public lands.
- Manages leasing and development for energy and minerals on onshore land that produces 50% of annual domestic oil production and 11% of domestic natural gas production.
- Employs almost 200 law enforcement personnel.



The Fish and Wildlife Service (FWS):

- Manages the 94 million acre National Wildlife Refuge System, which includes 535 National Wildlife Refuges.
- Administers programs for fish and wildlife conservation and development for protection of endangered and threatened species.
- Receives about 29 million visitors per year at National Wildlife Refuges.
- Permits hunting at 283 refuges and fishing at 276 refuges.
- Operates 65 National Fish Hatcheries, which annually produce 160 million fish valued at \$5 billion in total economic benefits.
- Employs over 880 law enforcement personnel.

The Minerals Management Service (MMS):

- Manages energy and mineral development on the Outer Continental Shelf which provides more than 26% of the natural gas and oil in the U.S.
- Collects approximately \$5 billion in revenues annually from minerals produced from offshore and onshore Federal lands and Indian Lands. More than 70 percent of the revenues collected come from energy and mineral production from the Outer Continental Shelf.

The Bureau of Reclamation (BOR):

- Is the largest supplier of water in the 17 western states.
- Provides water-based recreational activities for about 80 million visitors per year.
- Delivers water to 31 million people and irrigates 10 million acres of land.
- Produces hydroelectric power as the nation's second largest producer generating about \$800 million in annual revenues.
- Generates, with 58 power-plants, more than 40 billion kilowatt-hours of electricity annually.
- Provides nearly \$1 billion in power revenue and serves six million homes.
- Delivers about 30 million acre feet of water for irrigation, municipal, industrial, and other uses.
- Employs 15 law enforcement officers.

Office of Surface Mining (OSM):

- Reclaims abandoned coal mines that are subject to the provisions of the Surface Mining and Reclamation Act of 1977.
- Provides for regulation of surface coal mining in 24 states through grant agreements.
- Regulates surface coal mining on Federal lands and Indian Lands, and in the 2 states that have not set up regulatory programs of their own.
- Issues coal mine permits, conducts inspections, issues notices of violations, and assesses penalties.
- Collects reclamation fees of about \$250 million per year.



U.S. Geological Survey (USGS):

- Leads the world in the natural sciences through scientific research and information exchange.
- Is the Federal Government's principle civilian mapping agency.
- Supplies scientific information needed to make sound natural resource management decisions.

Bureau of Indian Affairs (BIA):

- Administers programs for 561 Indian Tribes and Alaska Native villages either directly or through contracts, grants, or compacts.
- Provides an education system for more than 52,000 students.
- Helps fund 25 tribally controlled community colleges.
- Administers social services for children, families, elderly and disabled.
- Provides management of forests, minerals, fisheries, irrigation projects and farmlands on more than 56 million acres of Indian Trust Lands.
- Serves approximately 1.4 million Native Americans.
- Employs over 530 law enforcement personnel.

Office of the Special Trustee (OST) for American Indians:

- Maintains approximately 1,400 accounts for 315 tribal entities with assets of about \$2.5 billion.
- Maintains more than 285,000 Individual Indian Money Accounts with assets of approximately \$480 million.

Office of Insular Affairs (OIA):

- Assists U.S. Insular Area governments to improve their financial management systems and level of economic development.
- Exercises certain budgetary and program coordination authorities and responsibilities concerning U.S. insular affairs at the direction of the United States Congress.